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POLAND, HUNGARY FAIL
TO MEET TRADE OBLIGATIONS

YUGOSLAV-POLISH TRADE RELATIONS UNSATISFACTORY -- Politika, No 13286,
10 Jul 49

Trade and economic relations between the Yugoslav and Polish republics were regulated by a treaty providing for a 5-year exchange of goods and the Contract on Economic Cooperation and Exchange of Commodities, concluded on 24 May 1947, as well as by the special Contract on Exchange and Payment of 7 November 1947. The treaty called for the conclusion, every year for 5-years, of a one-year trade agreement.

In 1947 the two countries concluded two agreements. Yugoslavia fulfilled the first one, which provided for exchange for one year, in full. Poland, however, did not live up to its commitments, and even today has not delivered the textile machinery, equipment, gabardine, and other important articles called for in the agreement. In connection with the Contract on Exchange and Payment, Yugoslavia, sympathizing with the difficult situation in Poland resulting from the poor harvest, agreed to deliver 100,000 tons of wheat to Poland in exchange for certain items, 70 percent of which were consumers goods. Yugoslavia fulfilled its commitment fully and promptly, while Poland still has not delivered all the goods promised.

In the case of the regular trade agreement for 1948, at the request of Poland, Yugoslavia increased the proportion of metal commodities to be delivered to Poland by 10 percent over the 1947 figure, and undertook to deliver large quantities of wheat to Poland. Whereas Yugoslavia delivered 80 percent of the goods promised, Poland has not yet delivered more than 67 percent of its commitments. The Yugoslav obligations for goods in the most valuable categories (wheat, copper, lead, zinc concentrate, etc.) were met in full, while the Polish deliveries, excepting coke, consisted of less valuable articles such as lanterns, pitchforks, hammers, pincers, chains, oil cans, etc.

As a result of the Cominform campaign against Yugoslavia, Poland deliberately delayed deliveries of important items for Yugoslav industry, such as belts (practically none delivered), wagon axles (50 percent of commitment delivered), high-tension and low-tension cable (24 percent delivered),

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electric motors (less than 10 percent delivered), dielectric porcelain (about 30 percent delivered), locomotives, woolen yarn, etc. All deliveries made by Poland in 1948 were late, and after the Cominform Resolution they stopped almost entirely. For example, the treaty called for the delivery of 20,000 tons of ingots from Poland. Because deliveries were not made, the figure was later revised to 11,700 tons, with the provision that the whole amount be delivered in 1948. However, only 2,280 tons were received.

In the negotiations for the 1949 agreement, Yugoslavia asked for increased exchange in 1949, but Poland insisted on reducing the volume of exchange, while increasing the proportion of Yugoslav ores and metals to 70 percent of the total value of Yugoslav deliveries. At the same time, Poland refused to deliver its usual assortment of articles. It refused to deliver the capital equipment already provided for in the trade contract, for which an exceptionally high advance payment had been made. Thus far, Poland has refused to discuss the return of this advance.

Yugoslavia, being interested in concluding a trade agreement, consented to increase the proportion of its ores and metals to 50 percent of the value of its exports and to accept large quantities of less valuable items from Poland. Thus, a trade agreement was signed in January 1949.

Yugoslavia thus far has exported 75 percent of the lead, 50 percent of the zinc concentrate, 75 percent of the lead concentrate, and 50 percent of the antimony called for under the terms of this agreement, while Polish exports, except for coke, consist chiefly of consumers' goods.

During 1948, Yugoslavia actually extended credit to Polish industry, as Yugoslavia had a favorable balance of trade amounting to 8 million dollars.

HUNGARY RENEGES ON SHIPMENTS -- Borba, No 161, 9 Jul 49

According to Bogoljub Stojanovic, Serbian Minister of Industry, speaking on 7 July at the "Aleksandar Rankovic" Metal Industry Combine, the equipment for the enameling plant which should have been set up at the "Aleksandar Rankovic" Combine has never been delivered, although Hungary was to have sent it under the terms of the 1947 investment agreement. Hungary also was to have delivered equipment for two factories for preserving fruits and vegetables, one under the investment agreement and the other as reparations. One was to have been delivered at the end of 1947, the other in 1948. The equipment was completed and ready for shipment, but the Hungarian authorities refused to deliver either set.

In 1947 and 1948, Hungary shipped a certain amount of poorly made equipment to Yugoslavia as reparations, including machines for cutting fruits and vegetables.

TRADE AGREEMENT SIGNED WITH EGYPT -- Politika, No 13293, 18 Jul 49

Trade negotiations between Yugoslavia and Egypt held in Belgrade during May and June will culminate in the signing of a trade agreement and a payments agreement in Cairo on 19 July. The agreements will be effective on the day of signature and remain valid for one year.

The treaty calls for an increase in exchange between the two countries. Egypt will deliver chiefly cotton and phosphate to Yugoslavia, while Yugoslavia will supply wood, tobacco, cigarette paper, corn, prunes, and other commodities to Egypt. Payment will be made in pounds.

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